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| College Procedure: | 405.1 - Retirement Incentive |
| Policy Reference: | 405 - Retirement Incentive Program |
| Responsible Department: | Human Resources |
| Approval Authority: | Cabinet |
| Procedure Owner: | Vice President, Human Resources |
| Effective Date: | 11/20/2013 |

Version Number: 4
Legal Counsel Reviewed (yes/no): No
Legal Reference(s):
Scope: College-wide

Reason for Procedure

The Kirkwood Retirement Incentive Program offers benefits to retirees who meet eligibility requirements.

The Procedure

Eligibility:

The Board of Trustees of Kirkwood Community College extends an offer of a retirement incentive program, with June, August and December retirement options, to full time Board-approved employees as outlined below if they:

- Have attained the age of 55 by the date of retirement, and
- Have worked the last 10 years consecutively at Kirkwood as a full-time, Board-approved employee.

Approved professional development leaves of absence will count toward consecutive years as well as service years. Other types of leave will count as consecutive years, but not as service years. For example: an employee who has worked for 15 years for the College, but took political leave or medical leave during one of those years would have 15 consecutive years of service to be eligible to participate in the plan, but would only receive 14 service years for calculating the salary-related benefit.

Effective July 1, 2006, employees may elect to participate in this program for a period of seven (7) years from the date the employee first meets the eligibility criteria. If an otherwise eligible employee fails to elect to participate in the program by the end of the fiscal year (June 30) or academic year (August 31) of the seven-year eligibility period, the employee will no longer be eligible to participate in the program.

Application Process:

A request to participate in the retirement program must be received by Human Resources by the previous December 31 for a June 30 or August 31 retirement date, and the previous June 30 for a December 31 retirement date.

The Retirement Application and Acknowledgment can be obtained in the Human Resources office. In signing this document, the participating employee is acknowledging that participation in the program is knowing and voluntary. This document must be completed and signed by the participating employee prior to receiving benefits under this program.

Each application will be reviewed on an individual basis and will be subject to Board of Trustees approval. Acceptance of the application shall be considered by the Board as a voluntary resignation effective on the date cited by the applicant on the application form.

Benefits Calculation:

Monetary Benefit:

Benefits will be based on the employee's base salary and years of service effective the date of termination of employment under this plan.

There will be a one-time cash benefit of 5% per each year of full-time board-approved consecutive service, not to exceed 100% of base salary.

The cash benefit will be paid in two equal payments. The first payment will be made on the last pay date in the month of retirement. The second, and final payment, will be made on the first payroll in January of the following calendar year. Federal, State and FICA taxes will be withheld from these payments. No IPERS or TIAA contributions will be deducted from the payments.

Should a retiree decease prior to full payment of the cash benefit being made under this plan, the balance will be paid to the retiree's estate.

Insurance:

An employee who retires prior to age 65 may elect to continue in Kirkwood's group health plan. If the retiree elects to continue, Kirkwood will pay the cost of the single medical, dental and vision premium for the retiree until the retiree: 1) accepts other full-time employment that offers comparable paid health benefits; 2) becomes eligible for Medicare; or 3) turns 65. Any cost in excess of the single medical, dental and vision premium shall be paid entirely by the retiree. See MIIP Eligibility Rules with regard to continuation of coverage for eligible family members.

The College will continue the retiree life insurance benefit at \$50,000 until the retiree reaches age 65. At the time of retirement, the retiree will have the option to convert all or a portion of their benefit in excess of \$50,000.

Furthermore:

The Kirkwood Administration shall have the complete discretion to make exceptions to the eligibility requirements when in their judgment it is in the best interests of Kirkwood to do so.

This program will continually be monitored to be in accord with legal issues. The Kirkwood Administration shall have the complete discretion to make changes to this program at any time in order to remain in compliance with legal requirements.

Employees who separate from employment service at Kirkwood under this program shall not be eligible to be rehired into any full time position with Kirkwood.

This program is in effect through August 31, 2026. The Kirkwood Administration will review the program for consideration of continuation during the fall of 2025.

References

Definitions

| Term | Definition |
|--------|------------|
| Term 1 | |
| Term 2 | |
| Term 3 | |
| Term 4 | |

Revision Log

| Version Number | Date Approved | Approved by | Brief Description of Change |
|----------------|---------------|----------------------------|--|
| 1 | 11/20/2013 | Mick Starcevich, President | |
| 2 | | Cabinet | Procedure template 6/12/2019 |
| 3 | | Cabinet | Updated to reflect revisions made in 2019 on 7/31/2019 |
| 4 | | Cabinet | Included August 31 as a retirement date for staff on 9/14/2020 |